



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
BROOKFIELD PLACE, 200 VESEY STREET, SUITE 400  
NEW YORK, NY 10281-1022

December 17, 2021

By ECF

Hon. Edward S. Kiel  
United States Magistrate Judge  
United States District Court  
Martin Luther King Building and U.S. Courthouse  
50 Walnut Street  
Newark, NJ 07102

Re: *SEC v. Espinal, et al.*, 2:19-civ-21616 (MCA/ESK)

Dear Judge Kiel:

Plaintiff Securities and Exchange Commission (“Commission”) respectfully submits this status update pursuant to the Court’s text Order of August 19, 2021 (Docket No. 25).

As background, the United States Attorney’s Office for the District of New Jersey filed a sealed complaint in the related criminal matter, *United States v. Espinal*, 2:19-mj-07549 (D. N.J.) (the “Criminal Proceeding”), on December 18, 2019. The next day, the Commission filed its Complaint in this civil action (Docket No. 1). Defendants Edward Espinal (“Espinal”) and Cash Flow Partners, LLC (“Cash Flow”) failed to respond to the Commission’s Complaint in this action, and on March 5, 2020, in response to the Commission’s Request for Default (Docket No. 10), the Office of the Clerk issued an Entry of Default as to both Defendants. On June 11, 2020, Espinal entered a guilty plea in the Criminal Proceeding as to one count of conspiracy to commit bank fraud and two counts of securities fraud. Espinal’s sentencing was scheduled for a later date but it was subsequently adjourned.

On December 29, 2020, the Court granted the Commission’s request for additional time under Local Civil Rule 41.1 to move for default judgments until after sentencing is completed in the Criminal Proceeding. The Court ordered that the Commission update the Court when Espinal’s sentencing is rescheduled and granted the Commission an

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extension until four weeks after his sentencing to file a motion for default judgments.  
Espinal's sentencing in the Criminal Matter has not yet been rescheduled.

Respectfully submitted,

/s/ Christopher J. Dunnigan

Christopher J. Dunnigan  
Senior Trial Counsel

cc: Defendant Edward Espinal (by UPS)  
Cash Flow Partners, LLC (by UPS)